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READ INSTRUCTIONS CAREFULLY BEFORE PROCEEDING		FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE		Approved by OMB 3060-0589 Page No <u>1</u> of <u> </u>	
(1) LOCKBOX # 358145		FCC/MELLON APR 18 2003		SPECIAL USE FCC USE ONLY	
SECTION A - PAYER INFORMATION					
(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card) Wiley Rein and Fielding LLP				(3) TOTAL AMOUNT PAID (U.S. Dollars and cents)	
(4) STREET ADDRESS LINE NO. 1 1776 K Street, N.W.					
(5) STREET ADDRESS LINE NO. 2					
(6) CITY Washington				(7) STATE DC	(8) ZIP CODE 20006
(9) DAYTIME TELEPHONE NUMBER (include area code) 202-719-7000			(10) COUNTRY CODE (if not in U.S.A.)		
FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED					
(11) PAYER (FRN) 0002151744			(12) PAYER (TIN) 0521289988		
IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)					
(13) APPLICANT NAME Pacific Telecom Inc.					
(14) STREET ADDRESS LINE NO. 1 c/o Wilkinson Barker Knauer					
(15) STREET ADDRESS LINE NO. 2 2300 N Street, N.W.: Suite 700					
(16) CITY Washington				(17) STATE DC	(18) ZIP CODE 20037
(19) DAYTIME TELEPHONE NUMBER (include area code) 202-783-4141			(20) COUNTRY CODE (if not in U.S.A.)		
FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED					
(21) APPLICANT (FRN) 0006243554			(22) APPLICANT (TIN)		
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET					
(23A) CALL SIGN/OTHER ID		(24A) PAYMENT TYPE CODE CUT		(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$860.00	(27A) TOTAL FEE \$860.00		FCC USE ONLY		
(28A) FCC CODE 1		(29A) FCC CODE 2			
(23B) CALL SIGN/OTHER ID		(24B) PAYMENT TYPE CODE		(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE		FCC USE ONLY		
(28B) FCC CODE 1		(29B) FCC CODE 2			
SECTION D - CERTIFICATION					
(30) CERTIFICATION STATEMENT I, _____, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief. SIGNATURE _____ DATE _____					
SECTION E - CREDIT CARD PAYMENT INFORMATION					
(31)	MASTERCARD/VISA ACCOUNT NUMBER:				EXPIRATION DATE:
<input type="checkbox"/> MASTERCARD					
<input type="checkbox"/> VISA	I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s)/authorization herein described.				
SIGNATURE _____			DATE _____		

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159

FEBRUARY 2000 (REVISED)

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)

**BELL ATLANTIC NEW ZEALAND
HOLDINGS, INC.**)

File No. _____

And)

PACIFIC TELECOM INC.)

Application for Approval to Transfer Control of)
GTE Pacifica Inc. and)
The Micronesian Telecommunications Corporation,)
Holding Blanket Domestic 214 Authorization)
Under Section 214)
of the Communications Act of 1934, as Amended,)
to Pacific Telecom Inc.)

**JOINT APPLICATION FOR TRANSFER OF CONTROL
OF DOMESTIC 214 AUTHORITY**

Bell Atlantic New Zealand Holdings, Inc. ("BANZHI" or "Transferor") and Pacific Telecom Inc. ("Pacific Telecom" or "Transferee") (collectively "the Applicants"), by their undersigned counsel, and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the "Act") and Section 63.04 of the Commission's Rules, 47 C.F.R. § 63.04 hereby request authority to transfer control of GTE Pacifica Inc. ("GTE Pacifica") and The Micronesian Telecommunications Corporation ("MTC" or "parent company") (collectively "Licensees"), each a holder of blanket domestic interstate 214 authorization, from BANZHI to

Pacific Telecom.¹ As described below, and pursuant to grant of this Application, Pacific Telecom will acquire 100% of the outstanding capital stock of MTC, the sole shareholder of GTE Pacifica, thus effecting a transfer of control of Licensees from BANZHI to Pacific Telecom.²

Pursuant to 47 C.F.R. § 63.04, the Applicants set forth the following information in support of this Application:

(1) The name, address and telephone number of each applicant:

Transferor: Bell Atlantic New Zealand Holdings, Inc.
c/o Christopher M. Bennett
1095 Avenue of the Americas
Room 3828
New York, NY 10036
Tel: (212) 395-0029
Fax: (212) 764-2739

Transferee: Pacific Telecom Inc.
c/o Kenneth D. Patrich
Wilkinson Barker Knauer, LLP
2300 N Street, N.W., Suite 700
Washington, D.C. 20037-1128
Tel: (202) 783-4141
Fax: (202) 783-5851

(2) The government, state, or territory under the laws of which each applicant is organized:

Transferor: BANZHI is organized under the laws of the State of Delaware.

¹ On March 19, 2003, Pacific Telecom and Bell Atlantic New Zealand Holdings, Inc. withdrew all the associated transfer of control applications under consideration in IB Docket No. 02-111 and placed on public notice on May 16, 2002. See *Commission Seeks Comment on Applications for Consent To Transfer Control Filed By Bell Atlantic New Zealand Holdings, Inc. and Pacific Telecom Inc.*, DA 02-1173, May 16, 2002.

² Simultaneous with this Application, BANZHI and Pacific Telecom are filing applications to transfer control of two international Section 214 authorizations, a cable landing license, two earth station licenses and a cellular license held by GTE Pacifica. A list of all licenses and authorizations being transferred is attached hereto. Pacific Telecom has also separately requested authority to exceed the 25 percent indirect foreign ownership limitation of Section 310(b)(4) of the Act.

Transferee: Pacific Telecom is organized under the laws of the Commonwealth of the Northern Mariana Islands.

(3) The name, title, post office address, and telephone number of the officer or contact point, such as legal counsel, to whom correspondence concerning the application is to be addressed:

(For the Transferor)

Peter D. Shields
Jennifer Hindin
WILEY REIN & FIELDING LLP
1776 K Street, N.W.
Washington, D.C. 20006
Tel: (202) 719-7000
Fax: (202) 719-7049

with copies to:

Stephen B. Heimann
Associate General Counsel
Verizon Communications Inc.
1717 Arch Street, 32nd Floor
Philadelphia, PA 19103
Tel: (215) 963-6437
Fax: (215) 963-9195

(For the Transferee)

Kenneth D. Patrich
Timothy J. Cooney
Wilkinson Barker Knauer, LLP
2300 N Street, NW
Suite 700
Washington, DC 20037
Tel: (202) 783-4141
Fax: (202) 783-5851

with copies to:

Jose Ricardo Delgado
Prospector Investment Holdings Inc.
4/F SGV II Building
6758 Ayala Avenue
Makati City, Philippines
Tel: (632) 812-7711
Fax: (632) 812 7719

(4) The name, address, citizenship and principal place of business of any person or entity that directly or indirectly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest one (1) percent;

After completion of this transaction, the following persons or entities will hold a ten percent (10%) or greater ownership interest in GTE Pacifica:

Name: The Micronesian Telecommunications Corporation
Address: P.O. Box 500306
Saipan, MP 96950
Citizenship: USA/CNMI Corporation
Percentage Held: 100% equity
Principal Business: Communications Investment and Telecommunications Services

The following person will hold a ten percent (10%) or greater ownership interest in MTC.

Name: Pacific Telecom Inc.
c/o Kenneth D. Patrich
Address: Wilkinson Barker Knauer, LLP
2300 N Street, N.W., Suite 700
Washington, D.C. 20037-1128
Citizenship: USA/CNMI Corporation
Percentage Held: 100%
Principal Business: Communications Investment

The following persons or entities will hold a direct ownership interest in Pacific Telecom and a ten percent (10%) or greater indirect ownership interest in GTE Pacifica and MTC upon consummation of the proposed transaction.

Name: Prospector Investment Holdings Inc.
Address: c/o Trident Trust (Cayman) Ltd.
One Capital Place
PO Box 847
Grand Cayman, B.W.I.
Percentage Held: 100% equity
Citizenship: U.K./Cayman Island Corporation
Principal Business: Communications Investment

The following persons or entities will hold an indirect ownership interest in Pacific Telecom and a ten percent (10%) or greater indirect ownership interest in GTE Pacifica and MTC upon consummation of the proposed transaction.

Name: Jose Ricardo Delgado
Address: 4/F SGV II Building
6758 Ayala Avenue
Makati City, Philippines
Percentage Held: 40% equity³
Citizenship: Philippines
Principal Business: Individual

Name: Ricardo C. Delgado
Address: 4/F SGV II Building
6758 Ayala Avenue
Makati City, Philippines
Percentage Held: 60% equity⁴
Citizenship: Philippines
Principal Business: Individual

(5) Certification pursuant to Rules 1.2001-1.2003

As evidenced by the signatures of the parties to this Application, no party to this Application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988 (21 U.S.C. § 853(a)).

(6) A description of the transaction

Verizon Communications Inc. ("Verizon"), through a series of wholly owned subsidiaries, owns 100% of the outstanding common stock of Banzhi, a corporation organized under the laws of Delaware. Banzhi is the current shareholder of MTC, the parent corporation of GTE Pacifica. MTC, as the incumbent local exchange carrier, provides interstate exchange access services in the Commonwealth of the Northern Mariana Islands ("CNMI"), and thus holds a blanket domestic Section 214 authorization pursuant to Section 63.01 of the Commission's rules. GTE Pacifica, a wholly owned subsidiary of MTC, is a separate entity that provides

³ Jose Ricardo Delgado holds a 40% direct ownership interest in Prospector Investment Holdings, Inc., which, in turn, will hold 100% of Pacific Telecom.

⁴ Ricardo C. Delgado holds a 60% direct ownership interest in Prospector Investment Holdings, Inc., which, in turn, will hold 100% of Pacific Telecom.

competitive interexchange service in the CNMI and Guam, and also holds blanket domestic interstate Section 214 authorization pursuant to Section 63.01 of the Commission's rules.

Pacific Telecom is a privately held corporation incorporated under the laws of the CNMI. Pacific Telecom does not currently provide domestic communications services or hold any Section 214 authorization.

By this Application, BANZHI and Pacific Telecom seek Commission approval for a direct transfer of control of MTC and an indirect transfer of control of GTE Pacifica, which will result from a capital stock acquisition of the current shareholder and parent company of GTE Pacifica, MTC. Specifically, Pacific Telecom will acquire 100% of the outstanding capital stock of MTC from BANZHI, the current shareholder of MTC. BANZHI is indirectly owned and controlled by Verizon through a series of wholly owned subsidiaries. The proposed transaction will result in a direct transfer of control of domestic Section 214 authorization holder MTC and, in turn, will result in an indirect transfer of control of domestic Section 214 authorization holder GTE Pacifica, from BANZHI to Pacific Telecom. Thus, upon consummation of the transaction, Pacific Telecom directly will own 100% of the equity and voting interests in MTC and indirectly will own 100% of the equity and voting interests in GTE Pacifica. Post-consummation, MTC and GTE Pacifica will continue to offer the services currently offered to customers under existing service arrangements.

(7) Description of services the parties provide and locations where those services are provided;

GTE Pacifica Inc. provides a variety of competitive domestic long distance services, *including inter-island communications between the CNMI and Guam and communications between the CNMI and the continental U.S.* GTE Pacifica Inc. also provides cellular

communications services in the CNMI. MTC serves as the local exchange carrier in CNMI and provides competitive domestic interstate exchange access service in CNMI.

(8) A statement as to how the application fits into one or more of the presumptive streamlined categories in this section or why it is otherwise appropriate for streamlined treatment;

BANZHI and Pacific Telecom do not seek streamlined treatment for this application.

(9) Identification of all other Commission applications related to the same transaction;

Simultaneous with this Application, BANZHI and Pacific Telecom are filing applications to transfer control of two international Section 214 authorizations, a cable landing license, two earth station licenses and a cellular license held by GTE Pacifica. A list of all licenses and authorizations being transferred is attached hereto. By "Petition of Pacific Telecom Inc. for a Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, As Amended" ("Petition for Declaratory Ruling"), Pacific Telecom has separately requested authority to exceed the 25 percent indirect foreign ownership limitation of Section 310(b)(4) of the Act.

(10) Statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure;

Not applicable.

(11) Identification of any separately filed waiver requests being sought in conjunction with the transaction; and

Not applicable.

(12) A statement showing how the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets.

Consummation of the proposed transaction is in the public interest. The Transferee's one hundred percent shareholder, Prospector Investment Holdings Inc., has substantial experience in building and operating a telecommunications carrier (since divested) in the Philippines. Moreover, as Transferee and its affiliates are not currently telecommunications carriers, the transaction results in no increase in concentration in the relevant markets.⁵ Finally, the transaction will not increase rates or reduce existing services. Although Pacific Telecom will be under no statutory obligation to offer service in the CNMI at rates that Verizon and other carriers offer service in the U.S. mainland, competitive forces in the CNMI telecommunications market will prohibit Pacific Telecom from increasing rates.⁶ See Pacific Telecom's *Petition For Declaratory Ruling* for a further discussion of the public interest benefits of this transaction.

VI. CORRESPONDENCE CONCERNING THIS APPLICATION SHOULD BE SENT TO:

For Bell Atlantic New Zealand Holdings, Inc.:

⁵ Indeed, the Commission has determined that such transactions are "unlikely to raise public interest concerns" and is subject to the Commission's streamlined processing rules. See *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations, Report and Order*, CC Docket No. 01-150, FCC 02-78, ¶ 29 (codified at 47 C.F.R. § 63.04); see also *id.* ¶ 33 ("transfer of incumbent LEC local exchange assets are unlikely to raise the potential of competitive harm").

⁶ For example, local exchange rates in the CNMI are subject to the approval of a local regulator. In the long-distance arena, Pacific Telecom intends to sign a rate integrated agreement with the CNMI by which Pacific Telecom will commit not to exceed Verizon's rate integrated long distance domestic message toll service rates for customer dialed direct station-to-station calls for a five year period. Additionally, existing competition in the CNMI market for off-island long distance and wireless services applies downward pressure on rates and provides incentives for carriers to compete for customers through the introduction of high quality products and services. Finally, WorldCom provides interexchange service in both the CNMI and the continental U.S., and thus its rates will remain integrated and serve as a competitive benchmark.

Peter D. Shields
Jennifer Hindin
Wiley Rein & Fielding LLP
1776 K Street, N.W.
Washington, D.C. 20006
Tel: (202) 719-7000
Fax: (202) 719-7049

with copies to:

Stephen B. Heimann
Associate General Counsel
Verizon Communications Inc.
1717 Arch Street, 32nd Floor
Philadelphia, PA 19103
Tel: (215) 963-6437
Fax: (215) 963-9195

For Pacific Telecom Inc.:

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Timothy J. Cooney
Wilkinson Barker Knauer, LLP
2300 N Street, NW
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Jose Ricardo Delgado
Citadel Holdings, Inc.
4/F SGV II Building
6758 Ayala Avenue
Makati City, Philippines
Tel: (632) 812-7711
Fax: (632) 812 7719

VII. CONCLUSION

For the reasons stated herein, Bell Atlantic New Zealand Holdings, Inc. and Pacific Telecom Inc. respectfully submit that the public interest, convenience and necessity would be furthered by grant of this Application for consent to an indirect transfer of control of the blanket

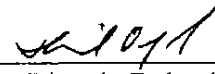
domestic interstate Section 214 authorization held by GTE Pacifica and direct transfer of control of the blanket domestic Section 214 Authorization held by MTC, to Pacific Telecom.

Respectfully submitted,

**BELL ATLANTIC NEW ZEALAND
HOLDINGS, INC.**

PACIFIC TELECOM INC.

By: _____
Christopher M. Bennett
General Counsel and Secretary
Bell Atlantic New Zealand
Holdings, Inc.

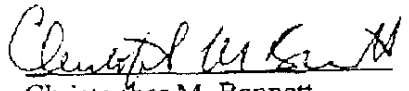
By:  _____
Jose Ricardo Delgado
Director and Authorized Representative
Pacific Telecom Inc.

Dated: April 18, 2003

Respectfully submitted,

**BELL ATLANTIC NEW ZEALAND
HOLDINGS, INC.**

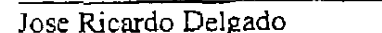
By:


Christopher M. Bennett
General Counsel and Secretary
Bell Atlantic New Zealand
Holdings, Inc.

Dated: April 18, 2003

PACIFIC TELECOM INC.

By:


Jose Ricardo Delgado
Director and Authorized
Representative
Pacific Telecom Inc.

**FCC Authorizations Held by The Micronesian Telecommunications Corporation and GTE
Pacifica Inc.**

International Section 214 Authorizations

ITC-214-19970502-00247; ITC-ASG-19971211-00776; ITC-97-779-AL ITC-97-288	214 Authorization for Facilities-Based and Resale (Switched and Private Line Non-Interconnected and Interconnected where lawful), excluding the Dominican Republic and Venezuela (GTE Pacifica)
ITC-ASG-19971211-00778; ITC-97-778-AL	214 Authorization to Construct and Operate the MTC Interisland Cable System Between the Commonwealth of the Northern Mariana Islands and Guam Granted By ITC-92-140 [8 FCC Rcd 750 (1993)] (GTE Pacifica)

Cable Landing License

SCL-92-003-AL	Cable Landing License to Land and Operate the MTC Interisland Cable System Between the Commonwealth of the Northern Mariana Islands and Guam Granted by SCL-92-003 [8 FCC Rcd 750 (1993)] (GTE Pacifica)
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Earth Station Authorizations

SES-LIC-20000414-00563; E000164	C-band transmit/receive earth station to provide digital voice/data services (GTE Pacifica)
SES-RWL-20001006-01900; Ka-34	C-band transmit/receive earth station to provide digital voice/data services (GTE Pacifica)

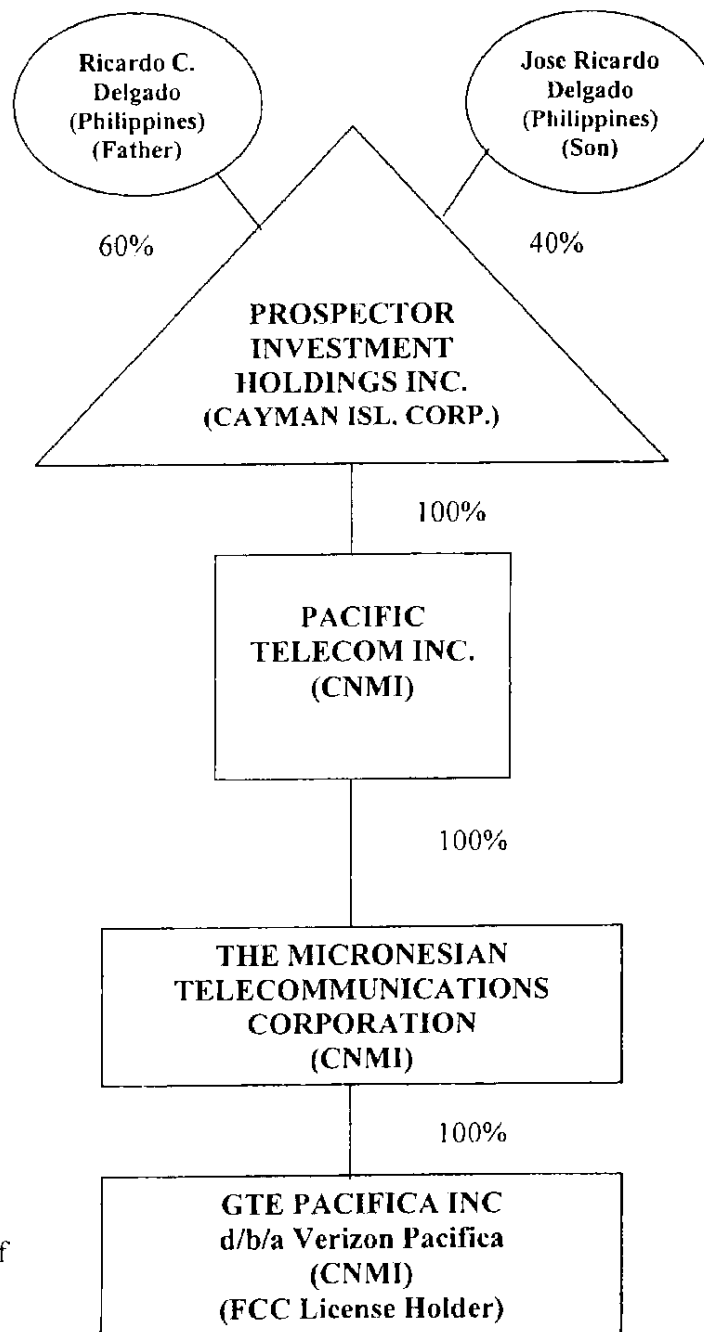
Wireless Telecommunications Authorization

KNKN616	Common Carrier Radio License for Cellular Radio Telephone Service (GTE Pacifica)
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Domestic Section 214 Authorization

Blanket Authorization	Domestic Interstate 214 Authorization for CNMI and Guam Inter-exchange Carrier Operations (GTE Pacifica)
Blanket Authorization	Domestic Interstate 214 Authorization for CNMI Local Exchange Carrier Operations (Micronesian Telecommunications Corporation)

**PACIFIC TELECOM INC.
OWNERSHIP STRUCTURE**



(CNMI) =
incorporated in
Commonwealth of
Northern Mariana
Islands